

CHAPTER 6. ALLOWANCES AND OTHER SPECIAL ENTITLEMENTS

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CHAPTER 6. ALLOWANCES AND OTHER SPECIAL ENTITLEMENTS**6.1 POLICY.**

- 6.1.1 The Office of Personnel Management (OPM) provides Governmentwide leadership by developing and maintaining regulations and policies on pay administration, including basic pay setting, locality pay, special pay rates, back pay, pay limitations, premium pay, grade and pay retention, severance pay, recruitment and relocation bonuses, retention allowances, and cost-of-living allowances. Each Federal agency is responsible for administering appropriate pay policies and programs for its own employees. Payroll allowances or other special entitlements must be properly authorized and documented by an appropriate form signed or electronically approved by a designated official.

6.2 REQUIREMENTS.

- 6.2.1 Payroll system requirements for allowances and other special entitlements are:
- A. Each allowance or special entitlement granted must be properly authorized and documented by an appropriate form signed or electronically approved by a designated official.
 - B. A record of each type of allowance or special entitlement granted must be maintained for each employee to show:
 - 1. The nature and type of each allowance or special entitlement granted;
 - 2. Any conditions related to the allowance or special entitlement; and,
 - 3. The period of time.
 - C. The dollar value of each allowance or special entitlement must be properly determined and promptly entered into the payroll system.

6.3 EXAMPLES OF VARIOUS TYPES OF ALLOWANCES AND SPECIAL ENTITLEMENTS.

- 6.3.1 Back Pay. Under the provisions of 5 U.S.C. 5596, when an appropriate authority finds that an employee was affected by an unjustified or unwarranted personnel action that resulted in the withdrawal, reduction, or denial of all or part of the pay, allowances, and differentials otherwise due the employee, the payment of back pay, interest, and reasonable attorney fees for the purpose of making the employee financially whole is authorized.
- 6.3.2 Environmental Differentials. 5 U.S.C. § 5343(c) (4) of Title 5, authorizes payment of an environmental differential, for prevailing rate employees (wage grade) when exposed to a working condition or hazard that falls within one of the categories approved by the Office of Personnel Management.

- 6.3.3 Hazard Pay Differential. 5 U.S.C. § 5545(d) of Title 5, as amended, authorizes payment of differentials for duty involving unusual physical hardship or hazard to employees. Regulations governing hazard pay are contained in 5 CFR Part 550, "Pay Administration," (General) Subpart I-*Pay for Duty Involving Physical Hardship or Hazard*.
- 6.3.4 Monetary Awards. The payment of monetary awards to NASA employees will be processed only upon receipt of a properly approved authorization. Monetary awards will be included in the employee's regular salary payment. Incentive Contributions Board (ICG) payments are only subject to Federal, State, and local taxes. Regarding the taxability of unpaid amounts for salary and monetary awards due decedents, see Part III, Chapter 4000 of the Treasury Financial Manual (TFM).
- 6.3.5 Injury, Traumatic (Continuation of Pay). The Federal Employees' Compensation Act (FECA) as amended (5 U.S.C. § 8101) provides compensation and authorized medical care for all civilian employees of the United States for disability due to personal injury sustained while in the performance of duty. Regulations governing injury compensation are contained in 20 CFR, Part 10.
- 6.3.6 Locality-Based Comparability Payments. The percentage rate for the locality-based comparability adjustment will be paid to General Schedule employees whose official duty stations are listed in 5 U.S.C. § 5304. The duty station of the employee's position of record is as indicated on his or her most recent notification of personnel action.
- 6.3.7 Lump-sum Annual Leave Payments.
- A. In accordance with 5 U.S.C. § 5551, as amended, an employee who is separated from the Federal service or enters on active duty in the Armed Forces, is entitled to receive a lump-sum payment for accumulated and unused current accrued annual leave to which he or she is entitled by statute.
- 6.3.8 In accordance with 5 U.S.C. § 5552, as amended, an employee who enters on active duty in the Armed Forces has the option to elect lump-sum payment for accumulated and unused accrued annual leave or to elect to have the leave remain to his or her credit until their return from active duty. However, any unused leave restored under 5 U.S.C. § 6304(d) (1) may not be retained, but must be liquidated by lump-sum payment immediately, provided it is still available for use within the time limits prescribed by OPM regulations. Overseas Differentials and Allowances; Allowances and differentials for foreign posts of duty are authorized under the provisions of the Overseas Differentials and Allowances Act, Public Law 86-707. The National Aeronautics and Space Administration (NASA) Shared Services Center (NSSC) Payroll Office monitors and updates the Overseas Allowance.
- 6.3.9 Overtime and Compensatory Time.

- A. Requests for overtime work will be ordered or approved by a properly designated official. The authorizing or approving official must be at least one level senior to the official requesting approval. Overtime will be limited to cases of necessity. All requests will state the reason the work cannot be performed during normal working hours. Except in emergencies, overtime will be authorized in advance.
 - B. Original overtime (OT) and compensatory time (CT) authorizations will be retained by the authorizing office or other control point for three years to substantiate pay. The original OT and CT authorizations are approved in Web-based Time and Attendance Distribution System function (WebTADS) and should be available in the system as required for records retention and audits.
 - C. In accordance with section 210 of the Federal Employees Pay Comparability Act of 1990 (FEPCA), Public Law 101-509, overtime pay for nonexempt Fair Labor Standards Act (FLSA) employees will always be computed and paid under the FLSA, as provided in 5 CFR Part 551. Under the FLSA provisions, hours in a paid nonworking status shall be deemed to be hours of work.
 - D. The Agency's newly revised policy on payments of Compensatory Time (NPR 3530, currently in draft form), states that all compensatory time will be paid for exempt and non-exempt employees, if not used in 26 pay periods. NASA will no longer forfeit compensatory time.
- 6.3.10 Payments During Evacuation. To the extent possible and practicable, during an evacuation, pay, leave, and other significant data will be sent from the evacuated Center to the safe-haven post as soon as possible after the evacuation order has been issued so that they will be available to support further payments. To the extent possible and practical, employees remaining at the evacuated Centers will continue to be paid in accordance with normal fiscal procedures. Where normal procedures cannot be followed, the NASA Shared Services Payroll Office (NPO), in consultation with Center and Headquarters management, will implement emergency processing procedures. This includes utilizing backup NASA Automated Data Processing Consolidation Center (NADPCC) facilities and emergency operating processes to pay personnel at evacuated locations.
- 6.3.11 Recruitment or Relocations Bonuses. In accordance with 5 U.S.C. § 5753, an amount up to 25 percent of an employee's rate of basic pay (excluding any comparability payments under Section 5304) may be paid, in a lump sum, to new appointees to assist in hiring highly qualified employees for difficult-to-fill positions; or to current employees to assist in relocating highly qualified employees to different commuting areas for difficult-to-fill positions.
- 6.3.12 Retention Allowance. In accordance with 5 U.S.C. § 5754, an amount up to 25 percent of an employee's rate of basic pay (excluding any comparability payments) may be paid, in the same manner and same time as basic pay, to a current employee to assist in retaining the employee for a key position

based on the unusually high or unique qualifications of the employee or special needs of NASA for the employee's services. Payment of the allowance will be based on a written determination that in the absence of such allowance the employee would be likely to leave. A retention allowance is not considered a part of an employee's rate of basic pay for computing any additional pay or allowances; or for any other purpose. Retention allowances are subject to income tax and Federal Insurance Contribution Act (FICA) taxes.

- 6.3.13 Severance Pay. The authority for payment of severance pay is contained in 5 U.S.C. § 5595. Severance pay is authorized for employees who are involuntarily separated from Federal service, not by removal for cause on charges of misconduct, delinquency or inefficiency, and meet other conditions of eligibility. Payment will be made biweekly based on the salary the employee would be paid if still employed.
- 6.3.14 Unemployment Compensation.
- A. 5 U.S.C. Ch. 85, as amended, provides for a program of unemployment compensation for unemployed Federal civilian employees. The Secretary of Labor is responsible for the general administration of the Unemployment Compensation for the Federal Employees (UCFE) program. State employment security agencies are responsible for determining entitlement to compensation and the amount of benefits payable to unemployed Federal civilian employees under the provisions of the applicable State unemployment insurance law.
 - B. In accordance with 20 CFR, Part 609, the NPO and Center payroll offices will furnish appropriate information regarding the employee's rights responsibilities. The Department of Interior will provide State employment security agencies with information concerning Federal service and Federal wages of an employee as necessary. This information will be used for the determination of the entitlement for compensation (e.g. verification of the employee Federal service; the periods of Federal service; the amount of Federal wages; reasons for termination of Federal service) within four workdays after receipt of request from the State employment security agencies.
- 6.3.15 Uniform Allowance. In accordance with 5 U.S.C. § 5901-5902, as amended, use of appropriated funds for the purpose of paying uniform allowances is authorized. The cost of uniforms, or the allowance to each eligible employee for acquisition of uniforms, shall not exceed \$400 a year.